

by the President's understanding about how a vision and a hopeful future is—will help clearly define the stakes amongst the Palestinian people.

President Abbas. Gaza is considered a coup by us; we consider it a coup d'état, what happened in Gaza.

[*A call to prayer could be heard in the background.*]

President Abbas. Now with a call to prayer—we consider it a coup d'état. [*Laughter*] And we deal with Gaza at two levels. The first is that we deal with the people as part of us, and we take full responsibility that is necessary towards our people. We spend in Gaza 58 percent of our budget. This is not to—it is our duty towards our people that we provide them with all they need.

As for the issue of Hamas, we said that this is a coup, and they have to retreat from this coup, and they have to recognize

international legitimacy, all international legitimacy, and to recognize the Arab Peace Initiative as well. In this case, we can—we will have another talk.

President Bush. Thank you all.

NOTE: The President's news conference began at 11:12 a.m. at the Muqata. In his remarks, the President referred to Prime Minister Ehud Olmert of Israel; Lt. Gen. William M. Fraser III, USAF, U.S. monitor of the Israeli-Palestinian roadmap peace plan; Lt. Gen. Keith W. Dayton, USA, U.S. security coordinator to Israel and the Palestinian Authority; and former Prime Minister Tony Blair of the United Kingdom, Quartet Representative in the Middle East. A reporter referred to Prime Minister Salam Fayyad of the Palestinian Authority. President Abbas and some reporters spoke in Arabic, and their remarks were translated by an interpreter.

Remarks Following a Visit to the Church of the Nativity in Bethlehem, Palestinian Territories

January 10, 2008

Madam Minister, thank you very much for your hospitality. It's been a moving moment for me and the delegation to be here at the Church of the Nativity. For those of us who practice the Christian faith, there's really no more holy site than the place where our Savior was born.

And I want to thank the Government for arranging this trip. I also thank very much the three different churches for welcoming me here. It's a fascinating history in this church, and so not only was my soul uplifted, my knowledge of history was enriched.

I want to thank the people of Bethlehem for enduring a Presidential trip. I know it's been inconvenient for you. I very much appreciate your tolerating my entourage.

And someday, I hope that as a result of a formation of a Palestinian state, there won't be walls and checkpoints, that people will be able to move freely in a democratic state. That's the vision, greatly inspired by my belief that there is an Almighty and a gift of that Almighty to each man, woman, and child on the face of the Earth is freedom. And I felt it strongly here today.

Anyway, thank you very much.

NOTE: The President spoke at 2:46 p.m. In his remarks, he referred to Minister of Tourism and Antiquities Khouloud Daibes of the Palestinian Authority.

Remarks on the Middle East Peace Process in Jerusalem, Israel *January 10, 2008*

Good afternoon. I'd like to first thank Prime Minister Olmert and President Abbas for their hospitality during my trip here to the Holy Land. We've had very good meetings, and now is the time to make difficult choices.

I underscored to both Prime Minister Olmert and President Abbas that progress needs to be made on four parallel tracks. First, both sides need to fulfill their commitments under the roadmap. Second, the Palestinians need to build their economy and their political and security institutions. And to do that, they need the help of Israel, the region, and the international community. Third, I reiterate my appreciation for the Arab League Peace Initiative, and I call upon the Arab countries to reach out to Israel, a step that is long overdue.

In addition to these three tracks, both sides are getting down to the business of negotiating. I called upon both leaders to make sure their teams negotiate seriously, starting right now. I strongly supported the decision of the two leaders to continue their regular summit meetings, because they are the ones who can and must and, I am convinced, will lead.

I share with these two leaders the vision of two democratic states, Israel and Palestine, living side by side in peace and security. Both of these leaders believe that the outcome is in the interest of their peoples and are determined to arrive at a negotiated solution to achieve it.

The point of departure for permanent status negotiations to realize this vision seems clear. There should be an end to the occupation that began in 1967. The agreement must establish Palestine as a homeland for the Palestinian people, just as Israel is a homeland for the Jewish people. These negotiations must ensure that Israel has secure, recognized, and defensible borders. And they must ensure that

the state of Palestine is viable, contiguous, sovereign, and independent.

It is vital that each side understands that satisfying the other's fundamental objectives is key to a successful agreement. Security for Israel and viability for the Palestinian state are in the mutual interests of both parties.

Achieving an agreement will require painful political concessions by both sides. While territory is an issue for both parties to decide, I believe that any peace agreement between them will require mutually agreed adjustments to the armistice lines of 1949 to reflect current realities and to ensure that the Palestinian state is viable and contiguous. I believe we need to look to the establishment of a Palestinian state and new international mechanisms, including compensation, to resolve the refugee issue.

I reaffirm to each leader that implementation of any agreement is subject to implementation of the roadmap. Neither party should undertake any activity that contravenes roadmap obligations or prejudices the final status negotiations. On the Israeli side, that includes ending settlement expansion and removing unauthorized outposts. On the Palestinian side, that includes confronting terrorists and dismantling terrorist infrastructure.

I know Jerusalem is a tough issue. Both sides have deeply felt political and religious concerns. I fully understand that finding a solution to this issue will be one of the most difficult challenges on the road to peace, but that is the road we have chosen to walk.

Security is fundamental. No agreement and no Palestinian state will be born of terror. I reaffirm America's steadfast commitment to Israel's security.